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Pakistan may get $1.2bn from IMF on Dec 9

Islamabad to publish governance and corruption report before executive board meets next month

By Khaleeq Kiani

ISLAMABAD: The International Monetary Fund (IMF) has scheduled a meeting of its executive board on Dec 8 to approve immediate disbursement of $1.2 billion to Pakistan under two concurrent programmes.

Pakistan and the IMF reached a Staff-Level Agreement (SLA) on the second review of the $7bn Extended Fund Facility (EFF) and the first review of the $1.4bn Resilience and Sustainability Fund (RSF) on Oct 14. Under the SLA, Pakistan will receive $1bn in disbursements under the EFF and $200m under the RSF. The $1.2bn disbursement is expected to land in Pakistan's account on Dec 9, bringing total disbursements under the two arrangements to about $3.3bn.

The executive board would hold two separate meetings on Dec 8 to approve SLAs with Pakistan and Somalia, according to the IMF's executive board calendar.

Before the board meeting, Pakistan is expected to publish much-delayed Governance & Corruption Diagnostic (GCD) Assessment Report prepared by a technical mission of the IMF, which is one of the key structural benchmarks (SB) under the EFF.

The benchmark deadline was end-July, which was later reset to end-August, and then again to end-October, but remains unmet so far, owing mainly to technical and factual disagreements between the Pakistan authorities and the IMF's expert team. Having addressed those points, Pakistan had assured the fund that it would publish the report before the board meeting, an official said, adding that it was a very comprehensive exercise conducted by the technical and legal teams of the IMF in consultation with other global organisations like the OECD and FATF.

The official said there had been a series of back-and-forth exchanges of draft papers and discussions with various Pakistani authorities, including the anti-corruption watchdogs, the superior judiciary, and investigation agencies, as well as the ministries of finance and law, to ensure the "best outcome" of the international expertise, which covers more than 100 rules.

The two sides are believed to have discussed reducing the time lag between the publication of the GCD Assessment Report and the resultant governance action plan based on its recommendations for reform measures to address critical governance vulnerabilities.

An IMF scoping mission had visited Pakistan early this year and had meetings at the Supreme Court of Pakistan, Law and Justice Division, Auditor General of Pakistan, parliamentarians, national accountability bureau, Federal Board of Revenue (FBR) and the State Bank of Pakistan and produced a comprehensive report identifying gaps and weaknesses in public finance management, tax system, and AGPR's efforts to identify loopholes.

Under the existing governance mechanism, the majority of government officers have not been disclosing the assets of themselves and their family members to the tax authorities or the Establishment Division, and there was an insufficient institutional mechanism for accountability. On top of that, many institutions, including regulatory bodies, enjoyed exemptions from such scrutiny and disclosure requirements. No wonder there have been widespread reports of corruption across the bureaucratic and political landscape, and Pakistan has ranked high on various international corruption perception indexes.

The IMF has been pressing for data-based red flags, due diligence, safeguard mechanisms, and guidelines against corruption and misuse of public offices, which have resulted in sub-optimal decision-making and compromised the country's business and growth potential. The Paris-based Financial Action Task Force (FATF) had also identified a series of weaknesses and made recommendations to address them.

The fund had acknowledged Pakistan's performance on financial and macroeconomic sectors under the EFF, entrenching macroeconomic stability and rebuilding market confidence. "The recovery remains on track, with the FY25 current account recording a surplus — the first in 14 years, the fiscal primary balance surpassing the programme target, inflation remaining contained, external buffers strengthening, and financial conditions improving as sovereign spreads have narrowed significantly", the IMF had announced on reaching SLA.

It had, however, highlighted that flood-related losses that affected nearly 7 million people, caused over 1,000 deaths, and severely damaged housing, public infrastructure, and agricultural land weighed on the outlook, particularly of the agriculture sector, bringing down the projected FY26 GDP to about 3.25-3.5pc. "The floods underscore Pakistan's high vulnerability to natural disasters and substantial climate-related risks, and the continuing need to build climate resilience", it said, adding the authorities' commitments under EFF and RSF were strong to maintain sound and prudent macroeconomic policies while advancing ongoing structural reforms.

$50bn data centres planned

NEW YORK: Artificial intelligence startup Anthropic announced on Wednesday a $50 billion drive to build new data centres in a partnership with British venture Fluidstack.

The move, which would see construction of data centers initially in Texas and New York, marks the latest in a building frenzy surrounding generative AI.

Launched in 2021 by former staff of OpenAI, Anthropic is known for its "Claude" platform.—AFP

US DOLLAR	BUYING Rs281.34 SELLING Rs281.80	EURO	BUYING Rs324.93 SELLING Rs327.73
GBP	BUYING Rs368.72 SELLING Rs372.24	UAE DIRHAM	BUYING Rs76.65 SELLING Rs77.41
KSA RIYAL	BUYING Rs74.94 SELLING Rs75.59	GOLD	TOLA Rs435,762 10 GMS Rs373,595

Digital future no longer a distinct vision: SBP

By Our Staff Reporter

KARACHI: Emphasising building trust and cybersecurity in digital finance, Governor Jameel Ahmed said on Wednesday that the State Bank was in the advanced stages of establishing an innovation hub as it had launched the first cohort of its Regulatory Sandbox to test new ideas in areas such as inward remittances, open banking, and merchant onboarding.

Addressing the Future of Banking Summit 2025, Mr Jameel said the digital future is no longer a distant vision — it is our present reality. "To remain relevant, financial institutions must evolve rapidly, adopt global standards, and embrace innovation that enhances inclusion, efficiency, and customer trust," he stressed.

He said that the global financial landscape is undergoing an extraordinary transformation, driven by advancements in artificial intelligence, big data analytics, 5G connectivity, and digital payments. These innovations are redefining how customers interact with financial institutions and how services are delivered across the economy.

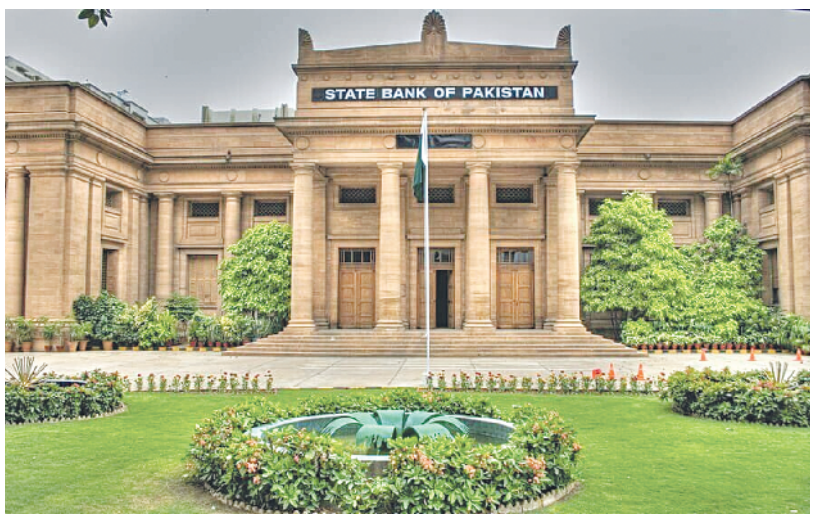
He said that the SBP, along with other financial services regulators, must also evolve to meet the demands of a rapidly changing landscape.

The SBP has taken measures to safeguard the financial system from cyber threats and operational vulnerabilities, ensuring that innovation is matched with resilience and trust, he said.

He called upon banks and financial institutions to increase the pace of adoption of Raast and expand digital payment solutions for customers across the public and private sectors.

Mr Ahmad emphasised that 'by working together — regulators, banks, fintechs, and policymakers — we can build a future where every Pakistani confidently participates in the digital economy'.

The SBP is also seeking cross-border payment integration using international standards like ISO 20022 for faster, safer remittances and trade-related transactions.



SBP Governor Jameel Ahmed has emphasised the importance of collaborative efforts to promote digitisation and financial inclusion.—File

Govt spends just Rs76bn on development in four months

ISLAMABAD: Spending under the Public Sector Development Programme (PSDP) is struggling to take off as the government keeps a tight lid on disbursements to show fiscal discipline to the International Monetary Fund (IMF).

The total spending on PSDP in the first four months (July-October) of 2025-26 amounted to Rs76 billion — just 7.6pc of the Rs1 trillion allocation for the year, which was lower than the previous fiscal year. The actual utilisation was far lower than Rs330bn authorised by the Planning Commission. This alarming spending pattern about public interest projects having impact on living standards of the people and economic growth has come about despite a rare 1.6pc budget surplus posted in first quarter of the year amid whopping State Bank of Pakistan profit and petroleum levy collection and the closure of hundreds of projects on the tight fiscal requirements of the IMF programme to shift focus on completion of strategic projects at advanced stages of development for their early completion.

Data released by the Ministry of Planning and Development on Wednesday showed that, excluding corporations, the total PSDP expenditure by about 35 ministries and divisions amounted to a meagre Rs54bn in the first four months, or about 8pc of the total allocation worth Rs682bn. The corporatisations — chiefly the power sector and the national highway authority — together spent Rs22bn or 6.9pc against their budget allocation of Rs318bn for the whole year. Power sector utilised only Rs1.9bn or just 2pc of Rs91bn allocation.

Under the mechanism announced by the Ministry of Finance for the current fiscal year, the government should release 15pc of budgeted allocation in first quarter, followed by 20pc in second quarter, 25pc in third quarter and remaining 40pc in the last quarter of the fiscal year to ensure that any shortfall in revenue collection is managed through cuts in development budget to remain with fiscal targets set with IMF.

Under this mechanism, the Planning Commission claimed that it had authorised Rs330.4bn for disbursement to the federal ministries in the first four months, which accounted for more than 33pc of the annual target (Rs1tr) and was higher than allowed in the finance ministry's instructions, but only Rs76bn or 7.6pc could be actually spent on the ground.

Only seven ministries crossed the Rs1bn mark in the first four months, led by the Water Resources Division, which spent Rs13.56bn, or 10.5pc of its Rs129bn annual allocation. NHA utilised Rs20bn (8.8pc) against Rs227bn and HEC Rs5.2bn against Rs42bn (12.4pc).— Khaleeq Kiani

Monitoring of tobacco sector to boost revenues

By Mubarak Zeb Khan

ISLAMABAD: The Federal Board of Revenue (FBR) has decided to digitally monitor the value chain of tobacco to cigarette manufacturing at the factory level to plug the widespread incidence of tax evasion in the sector.

To plug the incidence of tax evasion, the FBR has issued instructions to install CCTV cameras at the designated points of cigarette factories as well as green leaf thrashing stations to completely monitor the production.

In this regard, the FBR has issued instructions to all tobacco manufacturing units to install IP-based CCTV cameras at designated points inside their factories to ensure real-time monitoring of cigarette production.

The directive was issued through a Sales Tax General Order No. 7 of 2025 released on Wednesday.

To monitor real-time tobacco production the FBR has installed CCTV cameras at all nine green leaf threshing stations. Of these, two are operated by multinational companies, while the remaining seven are managed locally. The monitoring at the Thresher unit level entails utilising a larger machine to enhance the quality of tobacco processing. The installation of cameras at these units allows for straightforward tracking.

The FBR believed that this enforcement measure would help to determine the actual potential of cigarettes, aiming to enhance revenue generation from the tobacco industry.

According to the directive, all tobacco manufacturers — both large and small — will be prohibited from removing finished goods from factory premises unless the production process is recorded and monitored through IP-based CCTV systems.

The FBR has directed that all tobacco manufacturing units install IP-CCTV cameras in specified places of manufacturing facilities. "No person engaged in the manufacturing of Tobacco Products will remove any production from their business premises unless it has undergone the process of production monitoring through IP-CCTV cameras", it further said.

The government is collecting sales tax at the standard rate of 18 per cent on cigarettes in accordance with the Sales Tax Act of 1990. The collection of sales tax on domestic cigarette sales ranks among the top 20 revenue generators. At the same rate, the government is collecting Federal Excise Duty (FED) on cigarettes as stipulated by the Federal Excise Act, 2005, with a substantial increase observed in the past few years.

The field formations have been directed to ensure the installation of cameras at the premises of the factory with immediate effect. The tax generated from the tobacco sector is less than its potential. The FBR believes, based on private sector analysis, that the real tobacco industry tax collection should be roughly Rs600bn.

Inflows in T-bills surge to $118.6m

By Shahid Iqbal

KARACHI: Foreign investments in treasury bills (T-bills) surged in October, signalling a positive shift for the economy, which is receiving both favourable and unfavourable signals.

The latest data of the State Bank showed T-bills attracted $118.6 million in October, the highest monthly inflow during FY26.

Experts and analysts believe that some economic indicators with a changed regional situation have brought stability in Pakistan. They said Arab countries are willing to invest in Pakistan, while the United States is also willing to invest in mining and other sectors. The defence pact with Saudi Arabia and the ceasefire in Gaza have also reduced the uncertainties in the region. Saudi Arabia recently sent a delegation to explore investment opportunities in Pakistan.

The data shows that most of the investment in October and during the four months of the current financial year came from the Arab countries. The highest inflow of $112.5 million came from the UAE, which is Pakistan's largest trade partner, and several companies have shifted to Dubai due to high electricity prices and poor internet quality in Pakistan.

The inflows from Bahrain were $63m, $9.6m from the UK and $47.6m from the US in October.

The State Bank reported that inflows into T-bills during July-October FY26 totalled $333m, while outflows during the same period totalled $213m.

Banking experts said the net investment is low, but the higher inflows would improve the situation in the coming months. Some bankers said the yield on T-bills is still very high compared to other emerging and developed markets. The government offers one-month, three-month, six-month, and 12-month papers, while yields, with slight fluctuations, remain around 11 per cent.

14,802 firms enrolled in July-October

By Kalbe Ali

ISLAMABAD: The Securities and Exchange Commission of Pakistan (SECP) registered 14,802 new companies in the first four months of FY26.

Of these incorporations, 99.9 per cent were processed online through eZfile, bringing the total number of registered companies to 272,918. The total paid-up capital for the period stood at Rs20.59 billion.

In terms of company structure, private limited companies accounted for 59pc of new registrations, followed by single-member companies at 37pc.

The remaining 4pc comprised public unlisted companies, not-for-profit organisations, trade organisations, and limited liability partnerships. Additionally, 10 foreign companies established a presence in Pakistan during this period.

These companies were registered online through SECP's digital platform, enabling entrepreneurs across the country to incorporate their businesses without physically visiting SECP offices.

Alongside major urban centres such as Lahore, Islamabad, and Karachi, around 30pc of the registrations originated from 250 other cities and towns across Pakistan, including Layyah, Burewala, Bhakkar, Pakpattan, Hasilpur, Chaman, Gwadar, Zhob, Turbat, Bannu, Kohat, Tank, Swat, Manshera, Thatta, Larkana, Dadu, Rohri, Hunza, and Gilgit, due to the growing outreach of SECP's digital services.

Around 7,476 companies were registered in Punjab, followed by 3,230 companies in Islamabad Capital Territory, 2,197 in Sindh, 1,320 in Khyber Pakhtunkhwa, 337 in Gilgit-Baltistan and 242 in Balochistan.

The Information Technology and e-commerce sector led with 2,999 new incorporations, followed by 1,954 in the trading sector, 1,807 in the services sector, and 1,393 in real estate development and construction.

Regret

Apropos a news report titled 'Auto sales rev up in October', published on Nov 12, 2025, it is acknowledged with regret that it was originally edited using AI, in violation of Dawn's current AI policy. The *Dawn* AI policy is available on our website and can be reviewed at [https://www.dawn.com/ai-policy/].

The original report also carried AI-generated artefact text from the editing process, which was later removed from the digital version. The matter is being investigated, and the lapse is regretted.—Editor

Stocks manage modest gains in volatile trade

By Muhammad Kashif

KARACHI: Reversing overnight bearish sentiment driven by the deteriorating security situation following two deadly terrorist attacks, the Pakistan Stock Exchange (PSX) on Wednesday opened on a bullish note, with renewed buying interest at attractive levels.

However, according to Topline Securities Ltd, the optimism was short-lived as the index came under pressure before turning positive again. The market witnessed mixed fortunes as the KSE-100 index swung between an intraday high of 164,500 points and a low of 166,600 points, finally closing at 158,183.95 points, up 313.44 points or 0.20 per cent. Despite the modest gain, trading lacked decisive triggers, leaving investors cautious as the market oscillated throughout the session. Index-heavy stocks, including Fauji Fertiliser, Pakistan Services, Pakistan Petroleum, United Bank, and Kohinoor Textile Mills, were among the major gainers, collectively contributing 777 points to the benchmark. On the flip side, Lucky Cement, Habib Bank, Systems Ltd, and Oil and Gas Development Company together shaved off 303 points. Despite the consolidation, market participation remained low, with trading volume falling 9.46pc to 757.24 million shares and the traded value dipping 12.24pc to Rs33bn. First National Equities Ltd emerged as the volume leader with 89 million shares exchanging hands.

Ali Najib, Deputy Head of Trading at Arif Habib Ltd, said the market experienced a tug of war between bullish and bearish forces before ultimately closing modestly higher, as domestic and regional security concerns muddled market participants.

Overall, sentiment was indecisive, with investors remaining cautious amid a lack of fresh positive catalysts.

On the economic front, Pakistan's plan to re-enter the global debt market by issuing dollar-denominated bonds next year, for the first time in nearly five years, caught investors' attention. The move signalled growing confidence in Pakistan's external stability after narrowly avoiding a default-like situation two years ago, though it also revives debate around debt sustainability and investor appetite.Analysts said the index attempted to reclaim its consolidation zone but failed to sustain gains as selling pressure emerged near the day's high. The session's tone reflected weakening momentum, hinting at fading bullish strength.

PAKISTAN STOCK EXCHANGE

THE TOP FIVERS

GAINERS		LOSERS		LEADERS*	
PIA Holding CoB	331.34	Unilever Foods	247.00	First Nat'l Equities	89.36
Pakistan Services	88.00	Supernet Techno	56.93	PIA Holding Co	56.34
Rafhan Maize	68.00	Pakistan Engg	23.53	WorldCall Telecom	48.70
ZIL Limited	48.40	Gillette Pakistan	19.08	Amtex Limited	42.49
Hoechst Pakistan	27.84	Sazgar Engg	15.46	The Bank of Punjab	40.53

(Share values in rupees) * Volume in millions of traded shares

INDICATORS	Wednesday	Previous		Change
KSE 100-SHARE INDEX (Points)	158,183.95	157,870.50	▲	313.45
KSE 30-SHARE INDEX (Points)	47,890.56	47,843.07	▲	47.49
MARKET CAPITAL (Rs billion)	18,067.014	18,079.958	▼	12.943
TRADING VALUE (Rs billion)	33.413	38.076	▼	4.663

ACTIVITY

Total listed	532
Active	480
Gainers	188
Losers	235

PARTICIPANTS

Foreign	▼ $2.03m
Companies	▼ $0.50m
Banks	▲ $0.95m
Mutual Funds	▲ $2.26m
Individuals	▼ $1.00m